

## Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SS-15 /035 R

DRAFTED BY EB/ICD/ISM-AHEWITT

APPROVED BY EB-JLKATZ

EB/ICD-EAWENDT

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FM SECSTATE WASHDC

TO USMISSION OECD PARIS IMMEDIATE

INFO AMEMBASSY STOCKHOLM IMMEDIATE

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E.O. 11652: N/A

TAGS:ETRD, OECD

SUBJECT: OECD STEEL CONSULTATIONS NOVEMBER 13-14

REF: OECD PARIS 30391

FOR ASSISTANT SECRETARY ENDERS

1. CONSULTATIONS COVERED FULLY IN OECD 29693 AND 29781  
SENT TO ALL OECD CAPITALS.

2. BOTH WE AND OTHER PARTICIPANTS REGARDED CONSULTATIONS  
AS USEFUL EXERCISE AVOIDING HARMFUL UNILATERAL ACTIONS  
AND UPHOLDING SPIRIT OF TRADE PLEDGE, WHICH ALL DELEGA-  
TIONS REAFFIRMED. IN PRELIMINARY MEETING EC MADE CLEAR TO  
US DEL (HEWITT) THAT THEY SOUGHT NOTHING FROM US, BUT  
HOPED TO BRING ABOUT GENERAL UNDERSTANDING OF PROBLEMS  
AFFLICTING EC STEEL INDUSTRY, AND CREATE A MORAL FOUNDATION  
FOR BILATERAL CONSULTATIONS THEY INTEND TO HOLD WITH  
PRINCIPAL STEEL EXPORTERS TO EC, ESPECIALLY SPAIN AND  
AUSTRIA (SWEDEN IS A POTENTIAL BUT APPARENTLY NOT A CURRENT  
PROBLEM). EC COMMISSION REP SAID FUNDAMENTAL PROBLEM OF  
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EC STEEL INDUSTRY AT THIS TIME IS EXCESSIVE COMPETITION

AND LOW PRICES. WHILE IMPORTS NOT LARGE IN QUANTITY THEY CAN HAVE EFFECT OF BREAKING THE PRICE DUE TO PECULIARITIES OF EC PRICING SYSTEM. SHOULD EC IMPOSE MINIMUM PRICES INTERNALLY EARLY NEXT YEAR, WHICH SEEMS LIKELY IF ECONOMIC SITUATION DOES NOT IMPROVE SOON, EC HOPES PRINCIPAL STEEL SUPPLIERS WILL HOLD EXPORTS TO CURRENT LEVELS VOLUNTARILY, THUS PERMITTING INTERNAL ACTIONS TO HAVE DESIRED EFFECT.

3. US DEL INDICATED US UNDERSTANDING OF SITUATION BUT EXPRESSED CONCERN ABOUT EFFECTS OF EC ACTIONS ON THIRD COUNTRIES--INCLUDING POSSIBLE DIVERSIONS TO US MARKET. WE ALSO PRIVATELY WARNED THAT SETTING INTERNAL PRICE HIGHER THAN PRICE OF EC EXPORTS TO US COULD TRIGGER ANTI-DUMPING ACTIONS HERE. EC INDICATED IT WOULD TAKE THESE FACTORS INTO ACCOUNT, AND EXPRESSED APPRECIATION FOR US ROLE. ALL DELEGATIONS AGREED TO CONTINUE CONSULTATIONS AS NECESSARY.

4. IN A MEETING WITH ACTING SECRETARY AND UNDER SECRETARY ROBINSON ON NOVEMBER 19 R. HEATH LARRY, VICE CHAIRMAN OF THE BOARD OF U.S. STEEL, EXPRESSED CONCERN THAT OECD CONSULTATIONS HAD NOT BEEN USED MORE FULLY TO ADVANCE INTEREST OF U.S. STEEL INDUSTRY IN SECTOR NEGOTIATIONS IN MTN. UNDER SECRETARY ROBINSON REPLIED OUR PRIMARY OBJECTIVES IN CONSULTATIONS WERE TO CARRY OUT OUR OBLIGATIONS UNDER TRADE PLEDGE, AND TO AVOID HARMFUL UNILATERAL ACTIONS BY EC AND OTHERS. KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** STEEL, MEETINGS, BRIEFING MATERIALS  
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**Copy:** SINGLE  
**Draft Date:** 22 NOV 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE277116  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** AHEWITT  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750407-0036  
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**Line Count:** 89  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** n/a  
**Reference:** 75 OECD PARIS 30391  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 29 MAY 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <29 MAY 2003 by ShawDG>; APPROVED <30 DEC 2003 by woolflhd>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** OECD STEEL CONSULTATIONS NOVEMBER 13-14  
**TAGS:** ETRD, OECD, (ENDERS, THOMAS O)  
**To:** OECD PARIS  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006